

**C. HOW VEHICLES COUNT TOWARD THE RESOURCE LIMIT****WAC 388-470-0070 How vehicles are counted toward the resource limit for cash assistance and family medical programs.**

- (1) A vehicle is any device for carrying persons and objects by land, water, or air.
- (2) The entire value of a licensed vehicle needed to transport a physically disabled assistance unit member is excluded.
- (3) The equity value of one vehicle up to five thousand dollars is excluded when the vehicle is used by the assistance unit or household as a means of transportation. Each separate medical assistance unit is allowed this exclusion.

**CLARIFYING INFORMATION**

1. To be considered a vehicle, the transportation device must have a motor. If it does not have a motor, it is considered personal property.
2. Even though motor homes are vehicles, we do not treat them like vehicles for cash assistance. We treat motor homes the same way we treat real property. See WAC 388-470-0045 for how to treat real property.
3. To determine if a vehicle should be considered a motor home, use this definition:

A motor home is a vehicle that is designed to provide temporary living quarters for recreational, camping, or travel use. It is built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van that is an integral part of the completed vehicle.

**WAC 388-470-0075 How is my vehicle counted for food assistance?**

This rule applies to food assistance only.

- (1) A vehicle is a motorized device that the client can use as a regular means of transportation.
- (2) If you own a licensed vehicle we (the department) do not count its entire value if the vehicle:

- (a) Has an equity value (Fair Market Value (FMV) minus what you owe on the vehicle) of one thousand five hundred dollars or less.
  - (b) Is used over fifty percent of the time to make income. This includes vehicles such as a taxi, truck, or fishing boat. If you are a self-employed farmer or fisher and your self-employment ends, we still exclude your vehicle for one year from the date you end your self-employment.
  - (c) Is used to make income each year that is consistent with its FMV even if used on a seasonal basis.
  - (d) Is needed for long-distance travel, other than daily commuting, for the employment of an assistance unit (AU).
  - (e) Is used as your AU's home.
  - (f) Is used to carry fuel for heating or water for home use when this is the primary source of fuel or water for your AU.
  - (g) Is needed to transport a physically disabled AU member, no matter if the disability is permanent or temporary.
- (3) For licensed vehicles we did not exclude in subsection (2) above, we subtract four thousand six hundred fifty dollars from the vehicle's FMV and count the remaining amount toward the resource limit for:
- (a) One vehicle for each adult AU member no matter how it is used; and
  - (b) Any vehicle an AU member under age eighteen uses to drive to work, school, training, or to look for work.
- (4) If you have other licensed vehicles, we count the larger value of the following toward your AU's resource limit:
- (a) FMV greater than four thousand six hundred fifty dollars; or
  - (b) Equity value (FMV) minus what is owed on the vehicle.
- (5) If you are a tribal member and drive an unlicensed vehicle on a reservation that does not require vehicle licensing, we count or exclude your vehicle as if it was a licensed vehicle.
- (6) For all other unlicensed vehicles we count the equity value towards your AU's resource limit unless the vehicle is:

- (a) Used to make income each year that is consistent with its FMV, even if used on a seasonal basis; or
  - (b) Work-related equipment needed for employment or self-employment of a member of your AU.
- (7) We do not add the equity values of different vehicles together to perform the equity test. We look at each vehicle separately. If a vehicle passes the equity test, we do not count it towards the resource maximum.
- (8) After we determine the countable value of each vehicle, we add those values to your other countable resources to see if your resources are below your resource limit.

### CLARIFYING INFORMATION

1. **Categorical Eligibility:**

We don't count a client's vehicles as a resource if their AU is categorically eligible (CE) for Basic Food under WAC 388-414-0001.

2. **Resources of ineligible AU members:**

Resource rules apply to all AU members. This includes someone who is an ineligible member of the AU under WAC 388-408-0035.

3. **What counts as a vehicle for Basic Food:**

The following items are **not** considered vehicles for Basic Food:

- Motorized children's cars/trucks;
- Utility trailers such as horse trailer; or
- Campers.

These items are considered personal property.

4. **Leased Vehicles:**

We **do not** count leased vehicles toward the assistance unit's resource limit.

**5. Vehicle used to transport a physically disabled AU member:**

- a. We can exempt one vehicle for each physically disabled AU member . The disability does not have to be permanent to qualify for the exclusion.
- b. Use prudent person to determine if the person is physically disabled.
- c. If the person does not appear to be physically disabled but they claim that they are, ask them to provide verification from a physician.
- d. If a temporary disability ends, the vehicle exclusion for transporting a disabled member also ends.

**WORKER RESPONSIBILITIES**

1. Use the following chart to help you decide how to treat a vehicle:

<b>For the following types of vehicles:</b>	<b>Fair Market Value (FMV) Test</b>	<b>Equity Test</b>
Producing Income	Exempt	Exempt
Used as a home	Exempt	Exempt
Transporting a disabled household member	Exempt	Exempt
Carrying fuel for heating or water for home use	Exempt	Exempt
Value is inaccessible (sale would produce \$1,500 or less)	Exempt	Exempt
One licensed vehicle per adult household member	FMV - \$4,650 = Excess Value	Do Not Apply Equity Test
Any other licensed vehicle a household member under age 18 drives to work, school, training, or to look for work	FMV - \$4,650 = Excess Value	Do Not Apply Equity Test
Additional licensed vehicles	Use the Greater Of:	

	$\frac{\text{FMV} - \$4,650}{\text{Excess Value}} =$	$\frac{\text{FMV} - \$ \text{ Amount Owed}}{\text{Equity Value}} =$
Unlicensed vehicles	Do Not Apply Fair Market Value Test	$\frac{\text{FMV} - \$ \text{ Amount Owed}}{\text{Equity Value}} =$

## 2. Determining the value of a vehicle:

- a. Use the **trade in** value from [Kelly Blue Book](#) online to determine the value of the vehicle. You will need to enter the mileage and the condition. Use the **greater amount** of the client's actual mileage or 12,000 miles x age of the car in years.
- b. If the client disagrees with the information from Kelly Blue Book, ask the client to verify the true value of the vehicle from a reliable source.

## 3. Amount owed:

Accept the client's statement of the amount the client owes on a vehicle unless you have a reason to question what they state. If the statement is questionable, ask the client to verify the amount they owe.

## 4. Vehicles with \$1,500 or less equity:

Exclude a client's vehicle for Basic Food when they would not get more than \$1,500 out of the vehicle if they were to sell it.

- a. Use the current fair market value of the vehicle would be whatever price the AU could sell it for at present and in its present condition. **Do not** use the purchase price the client bought the car for unless the client could actually sell it for this amount.
- b. If you determine a value for the client's vehicle and the client disagrees with the value, give them the opportunity to verify the true value from a reliable source. This includes sources as mechanics, used car dealers, junk dealers etc.

- c. Subtract any amount the client legally owes on the vehicle if they were to pay the loan off today. **Do not** use the contract amount that includes interest over the period of the loan.

**Note:** The equity someone has in a vehicle changes with the payments the client makes as well as the changing resale value of the vehicle. A vehicle you exclude for having equity of \$1,500 or less at one point may count as a resource at some point in the future. Review the equity value at each recertification.

### EXAMPLE 1

A three-person Basic Food unit AU contains a ten-year-old child who has a physical disability. The AU has four vehicles in their names:

- 1988 Ford Taurus with a FMV of \$1,240. Nothing owed;
- 1988 Hyundai Excel with a FMV of \$125. Nothing owed;
- 1999 Ford Mustang with a FMV of \$7,955 - \$6,455 owed; and
- 2001 Mitsubishi Galant with a FMV of \$8,550 - \$2,400 owed.

In this example, exclude the Mitsubishi Galant because it is needed to transport the disabled child. Exclude all the other vehicles because the AU has equity of \$1,500 or less in each car.

### EXAMPLE 2

A two-person Basic Food unit AU has one vehicle in their name:

- 1993 Mazda RX7 Coupe with a FMV of \$9,625. - \$4,200 owed;

In this example, we can't exclude the vehicle based on use or the client's equity in the car. Subtract \$4,650 from the FMV of \$9,625 and count \$4,975 toward the client's resource limit for Basic Food. The AU is **not** eligible for Basic Food.

### EXAMPLE 3

A one-person Basic Food unit AU has two vehicles. The client uses one vehicle for their taxi business (the Ford) and the other vehicle for their personal use:

- 2001 Ford Crown Victoria with a FMV of \$9,725 - \$1,900 owed; and

- 1987 Porsche 944 Coupe with a FMV of \$2,125. Nothing owed.

In this example, exclude the Ford because the client uses it to produce income.  
Exclude the Porsche because the FMV is less than \$4,650.